United States Department of Agriculture
Foreign Agricultural Service

TRANS-PACIFIC PARTNERSHIP
Benefits to U.S. Agriculture

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AGRICULTURE-RELATED PROVISIONS OF THE TRANS-PACIFIC PARTNERSHIP DETAILED SUMMARY

The United States concluded the Trans-Pacific Partnership (TPP) with Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam on October 5, 2015. The TPP agreement will advance U.S. economic interests in a critical region that accounts for nearly 40 percent of global GDP. The agreement will also help the United States respond to the regional and bilateral trade agreements that are already in place or are being negotiated by competitor countries. This high-standard agreement opens markets and will support expansion of U.S. food and agricultural exports, increase farm income, generate more rural economic activity, and promote job growth.

Nationwide, U.S. food and agricultural exports totaled more than $133 billion in 2015, supporting more than one million American jobs. Global demand for these products is growing but so is competition among suppliers. The TPP region accounts for more than $57 billion of that total.

The TPP agreement grants new and enhanced market access in Japan, Vietnam, Malaysia, New Zealand and Brunei, countries with which the United States does not currently have a free trade agreement (FTA). It also expands market access into Canada, which already has an FTA with the United States.

Japan, Vietnam, Malaysia, New Zealand, and Brunei have a combined population estimated at 257 million and, in 2015, accounted for 11 percent ($14.6 billion) of all U.S. agricultural product exports. The inclusion of Japan's $4.7 trillion economy in the TPP agreement is of particular importance, since Japan is already the United States' fourth-largest agricultural export market despite substantial market access barriers. In countries where the United States has FTAs, exports of U.S. food and agricultural products have grown significantly. Recent examples include Australia, Chile, Colombia, and Panama, as well as the Dominican Republic-Central America FTA countries: the Dominican Republic, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. The TPP agreement promises similar benefits.

Tariff reductions are a core element of the TPP. High tariffs in some TPP countries have effectively precluded U.S. agricultural exports in the past. In the TPP agreement, countries have committed to provide substantial market access for the United States by either phasing out most tariffs (many immediately), enacting meaningful tariff reductions, or allowing a specific quantity of imports at a lower duty (generally zero) where tariff elimination is not possible.

Key Elements of the Agreement

The benefits of the TPP agreement will occur through a combination of tariff elimination, tariff reductions, and new tariff-rate quotas (TRQs). These benefits will accrue to U.S. farmers and ranchers once the TPP agreement has been implemented.

Tariff Elimination: Under the TPP agreement, most tariffs on U.S. agricultural exports will be eliminated. For Japan, once the TPP agreement is implemented, over 50 percent of U.S. farm product exports (by value) will receive duty-free treatment immediately. These products include grapes, strawberries, walnuts, almonds, raisins, sweet corn, lactose, certain fruit juices, and most pet foods. Canada will eliminate its tariffs on whey and margarine. Vietnam will eliminate tariffs on over 90 percent of current U.S. trade in five years or less. Malaysia will immediately eliminate tariffs on over 90 percent of current U.S. trade. New Zealand will immediately eliminate tariffs on nearly 80% of current U.S. trade, and Brunei will do the same for all U.S. trade.

TRQs: For some products, preferential market access will be provided through the creation of TRQs, which provide access for a specified quantity of imports at a preferential tariff rate, generally zero. Japan will provide access through TRQs for rice, wheat and wheat products, barley and barley products, malt, whey, milk powder, butter, evaporated milk, condensed milk, vegetables, sugar-containing products, glucose, fructose, starch, corn & potato starch, and inulin. Canada will provide access through TRQs for dairy, poultry and egg products. Malaysia will provide access through TRQs for fluid milk, poultry and eggs. The United States will provide access through TRQs for sugar and dairy products.

Safeguards: To help farmers adjust to potential import surges, TPP provides for the limited use of safeguards. Japan will have safeguards for beef, pork, whey, oranges, and race horses. The United States will have safeguards for skim and whole milk powders and some cheese.

Sanitary and Phytosanitary (SPS) Measures: The TPP agreement builds on and enhances the rules of the World Trade Organization's (WTO) sanitary and phytosanitary (SPS) agreement. It promotes the development and application of SPS measures in a risk-based, scientifically sound manner, while ensuring that regulatory agencies in the United States and other TPP member countries are able to protect food safety and plant and animal health. Provisions of the agreement include enhanced transparency, rapid notification of shipments held at point-of-import, and greater public input in the development of SPS measures. The agreement also provides for consultative and dispute settlement mechanisms to resolve SPS issues between governments in a timely fashion.

Geographical Indications (GIs): The TPP will enhance due process and transparency disciplines on the use of GIs to address the growing concerns of U.S. producers and traders, whose access to foreign markets can be undermined through overly expansive GI protections. These include a minimum standard with respect to grounds for objecting to and canceling GIs, allowing the use of generic (commonly used) individual components of multi-component terms, guidelines on how TPP partners should determine whether a term is generic in its market, as well as safeguards for owners of pre-existing trademarks.

Agricultural Biotechnology: The TPP marks the first time the topic of agricultural biotechnology is covered in a bilateral or regional U.S. trade agreement. Recognizing that agricultural biotechnology is an important tool to feed the world's growing population in a sustainable manner, the agreement includes provisions on agricultural biotechnology that commit TPP countries to foster transparency in their decision-making processes, to work together on situations of low-level presence, and to promote timely authorization of products of modern biotechnology. The TPP agreement also creates a voluntary working group to address matters related to trade in agricultural biotechnology products.

Organic Agriculture: The TPP promotes cooperation among the TPP governments to consider recognizing equivalency of organic standards. With equivalency recognition arrangements, trade in organic agricultural products is facilitated.

Livestock Products

Beef: In 2015, the United States exported $3.4 billion of beef and beef products to the TPP region, accounting for nearly 54 percent of the $6.3 billion shipped worldwide.

> ***Japan:*** With nearly $1.6 billion in sales in 2015, Japan is the United States' largest export market for beef, based on value. Under the TPP agreement, Japan will eliminate duties on 74 percent of its beef and beef product tariff lines in 16 years or less. Tariffs for fresh, chilled, and frozen beef will be cut from 38.5 percent to nine percent in 16 years and will be subject to an annual TPP-wide safeguard instead of the current WTO safeguards. The TPP safeguard is not expected to be trade-limiting unless there are unexpected import surges. Additionally, Japan will eliminate tariffs on processed beef products, including beef jerky and meat extracts, which are as high as 50 percent, in 6-16 years.
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> ***Vietnam:*** Tariffs on beef and beef products to Vietnam will be eliminated in 3-8 years.
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> ***Malaysia:*** Tariffs on beef and beef products to Malaysia will be locked in at zero percent.
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> ***United States:*** The United States' tariffs on beef and beef products, which currently are as high as 26.4 percent, will be eliminated in 15 years or less.

Pork: In 2015, the United States exported $3.9 billion of pork and pork products to the TPP region and $5.6 billion to the world.

> ***Japan:*** The top market, based on value, for U.S. pork and pork product exports, Japan will eliminate 65 percent of its pork and pork product tariffs in 11 years or less and on nearly 80 percent in 16 years. Japan's current 4.3-percent tariff on U.S. fresh, chilled, and frozen pork cuts will receive an immediate 50-percent cut, with the residual duty eliminated in 11 years. Japan's "gate price" system for these products will remain, but Japan will reduce the specific duty on pork cuts from its previous maximum charge of 482 yen per kilogram (kg) to 125 yen/kg immediately and reduce it further to 50 yen/kg by year 11. During the transition period, fresh, chilled, and frozen pork cuts will be subject to a U.S.-specific safeguard that will allow for temporary duty increases when imports rise above a specified trigger level. Japan's tariffs and gate price system on processed pork products will be phased out over 11 years. Japan will also eliminate the 20 percent tariff on ground seasoned pork in 6 years. A non-restrictive safeguard mechanism that allows for significant market expansion will be in place during the transition period, terminating in year 12 of the agreement.

Malaysia: Nearly all of Malaysia's tariffs on pork and pork products will be locked in at zero percent. Malaysia will eliminate tariffs for pork carcasses in 15 years.

Vietnam: Vietnam will eliminate tariffs on pork products, currently ranging up to 30 percent, in 5-10 years. It will eliminate tariffs on frozen cuts, shoulders, and preserved pork in eight years, tariffs on fresh pork cuts and shoulders in nine years, and tariffs on fresh and frozen carcasses in 10 years.

United States: The United States will eliminate tariffs on pork and pork products, which are currently as high as 6.4 percent, in 5-10 years.

Poultry and Poultry Products: In 2015, the United States exported almost $2.4 billion of poultry meat and poultry products (including live birds, eggs, and egg products) to the TPP region and $4.9 billion to the world.

Japan: Japan's import tariffs on all poultry meat, eggs, and egg products will be eliminated in 6-13 years. Japan's 8.5-percent tariff on frozen poultry legs will be phased out over 11 years. Tariffs on fresh and frozen cuts, which are currently as high as 21.3 percent, will be eliminated in 6-11 years. Japan's current eight-percent tariff on egg albumin products will be eliminated immediately, while tariffs on other egg products, currently as high as 21.3 percent, will fall to zero in 6-13 years.

Malaysia: Malaysia will establish TRQs for live chicks, poultry meat, and eggs with an in-quota tariff of zero percent.

Vietnam: Vietnam's tariffs on poultry meat and poultry products, currently as high as 40 percent, will be eliminated within 13 years. This includes tariffs on frozen chicken cuts and offal, which will be eliminated in 10 years. Vietnam will eliminate in-quota tariffs for eggs within its WTO TRQ in six years. According to Vietnam's WTO commitments, this TRQ will continue to grow in perpetuity by five percent per year.

Canada: Canada will establish new TPP-wide duty free TRQs for chicken, turkey, eggs and egg products, and hatching eggs and chicks. Out-of-quota tariffs on these products can be as high as 822 percent.

United States: The United States' tariffs on poultry meat and poultry products, which are as high as 8.8 cents/kilogram (approximately 18.6 percent ad valorem equivalent), will be eliminated in 10 years or less.

Dairy Products: In 2015, the United States exported $2.8 billion of dairy products to the TPP region and $5.2 billion to the world.

Japan: Japan's 40-percent cheese tariffs will be eliminated in 16 years, with whey duties eliminated in 6-21 years, depending on the type. Additionally, Japan will immediately eliminate its current 8.5-percent tariffs on lactose and lactose syrup and its 2.9-percent tariff on milk albumin containing whey protein. For butter and milk powder, two TPP wide TRQs of 3,188 tons each will be created and grow respectively to 3,719 tons over 5 years. Japan will also create new TPP-wide TRQs for condensed and evaporated milk.

Canada: Canada will eliminate its tariff on milk protein substances upon entry into force, and on whey powder over ten years with a duty-free TRQ during the transition. It will also eliminate its tariff on margarine over five years. For all other dairy products, Canada will establish new permanent TRQs, which will grow for an additional 13 years after they reach their fully agreed quantities.

Malaysia: Nearly all of Malaysia's tariffs on dairy products, currently as high as five percent, will be eliminated immediately.

Vietnam: All of Vietnam's tariffs on dairy products, ranging up to 20 percent, will be eliminated in five years or less.

United States: The United States will eliminate tariffs on dairy products from Malaysia and Vietnam within 10 years. The United States will also eliminate its tariffs on ice cream and infant formula for Australia and New Zealand and on artisanal cheeses for Canada. U.S. tariffs on milk powders will be eliminated over 20-30 years for New Zealand and Australia and on one cheese tariff line each for New Zealand and Australia. Safeguards will also be established for these products. For all other dairy products subject to TRQs, the United States will establish new TRQs for New Zealand and Canada. The TRQs for Canada have growth provisions similar to those established by Canada for the United States. For New Zealand the TRQs have quantities and perpetual growth elements comparable to those established in the U.S.-Australia FTA. For Australia, existing preferential access available under the U.S.-Australia FTA for products such as butter, cheese, evaporated and condensed milk and other dairy will be transferred to new perpetual dairy TRQs that will be created under the TPP.

Horticultural Products

Apples, Cherries, Pears: In 2015, the United States exported approximately $810 million of fresh apples, cherries, and pears to the TPP region and $1.6 billion to the world.

Japan: Japan's 8.5-percent tariff for fresh cherry imports will be cut in half upon entry into force of the agreement, and then eliminated in six years. Japan's 17-percent tariff for fresh apples will fall 25 percent immediately upon implementation and be eliminated in 11 years. Japan's current 4.8-percent tariff on fresh pear imports will be eliminated immediately upon implementation.

Malaysia: Malaysia's five-percent tariffs on fresh apples, cherries, and pears will be eliminated immediately.

Vietnam: Vietnam's 10-percent tariffs on apples, cherries and pears will be eliminated in three years.

United States: The United States' tariffs on fresh apples, cherries, and pears, which are as high as 0.3 cents per kilogram (approximately 0.2 percent ad valorem equivalent), will be eliminated immediately.

Citrus Fruits and Juices: In 2015, the United States exported $837 million of citrus and citrus juices to the TPP region and $1.4 billion to the world.

Japan: Japanese tariffs on imported oranges will be eliminated in 6-8 years. Additionally, Japan will expand the season when tariffs are lower from June-November to April-November. During the transition period, there will be a safeguard during the December-March high-tariff season. Japan's current orange juice tariffs will be eliminated in 6-11 years. Japan will also eliminate its existing 10 percent duty on grapefruit over six years. Japan's tariff on lemons is already fixed at zero.

Malaysia: Malaysia will keep its tariffs on oranges at zero percent and immediately eliminate its current five-percent tariffs on grapefruit and lemons.

Vietnam: Vietnam will eliminate in three years the current 40-percent tariff on grapefruit and 20-percent tariff on lemons. Vietnam will also eliminate tariffs on citrus juices, currently as high as 25 percent, in 5-8 years and eliminate the 20-percent tariff on oranges in four years.

United States: The United States will phase out tariffs on oranges, grapefruit, lemons and citrus juices in ten years or less. These tariffs are less than three cents per kilogram for citrus fruits and range up to 7.85 cents per liter for citrus juices.

Other Fresh Fruits: In 2015, the United States exported nearly $1.5 billion of fresh fruit other than citrus fruits, apples, cherries, and pears to the TPP region and $2 billion to the world. The "other fresh fruits" category includes products such as table grapes, melons, dates, figs, peaches, plums, and strawberries.

Japan: Japanese tariffs, as high as 17 percent, will be immediately eliminated for many products, including grapes, avocados, strawberries, raspberries, blueberries, cranberries, kiwi, watermelon, and papaya. Tariffs for the vast majority of other products in this category, currently as high as 17 percent, will be eliminated in 11 years or less.

Malaysia: Malaysia will immediately eliminate tariffs on the majority of these fruits, which currently face tariffs as high as 30 percent. Tariffs on tropical fruits, such as bananas and longans, will be eliminated over an 11-year period.

Vietnam: All of Vietnam's tariffs on these fruits, currently as high as 30 percent, will be eliminated in four years or less. Vietnam's tariff of 10 percent on fresh grapes will be eliminated in three years.

United States: The United States will eliminate tariffs as high as 29.8 percent in 10 years or less.

Potatoes and Potato Products: In 2015, the United States exported more than $700 million of potatoes and potato products to the TPP region and $1.2 billion to the world.

Japan: Japan's current tariffs on fresh potatoes, which are currently as high as 4.3 percent, will be immediately eliminated. Japan's 8.5-percent tariff on frozen whole potatoes will be eliminated in six years. Additionally, Japan's 20-percent tariff on dehydrated flakes, granules, pellets, flour, meal and powder will be eliminated in 6-11 years. In 2015, Japan imported nearly $294 million of frozen French fries. Japan will eliminate its current 8.5-percent duty on frozen French fries in four years and its nine-percent tariff on "other prepared/preserved frozen potatoes" in six years.

Malaysia: Malaysia will immediately eliminate tariffs on all potatoes and potato products, currently ranging up to eight percent.

Vietnam: Vietnam will eliminate tariffs on all potatoes and potato products, currently as high as 34 percent, within six years. It will eliminate the tariff on frozen French fries in four years.

United States: The United States will eliminate tariffs on all potatoes and potato products, currently as high as 14 percent, within 10 years.

Processed Fruit: In 2015, the United States exported $923 million of processed fruit products (not including citrus juices) to the TPP region and $1.7 billion to the world.

Japan: Japanese tariffs as high as 21.3 percent will be immediately eliminated for many products, including grape juice, prune juice, dried cranberries, essential citrus fruit oils, dried plums, and fruit cocktail. Tariffs on a wide range of other processed fruit products will be eliminated in 11 years or less.

Malaysia: All of Malaysia's tariffs on processed fruit products, currently as high as 20 percent, will be eliminated immediately.

Vietnam: Vietnam will eliminate all tariffs on processed fruit products, currently up to 40 percent, in eight years or less.

United States: The United States' tariffs on processed fruit products, currently as high as 29.8 percent, will be eliminated in 15 years or less.

Tree Nuts: In 2015, the United States exported $1.9 billion of tree nuts to the TPP region and $8.4 billion to the world.

Japan: Japan's current 2.4-percent tariff on almonds will be eliminated immediately, as will the 10-percent tariff on walnuts and 4.5-percent tariff on pecans. Japan's most favored nation (MFN) tariff on pistachios is already zero.

Malaysia: Malaysia will immediately eliminate all tariffs on tree nuts, which are currently as high as 20 percent.

Vietnam: Vietnam will eliminate tariffs, currently as high as 35 percent, in 3-6 years.

United States: The United States' tariffs on tree nuts, currently as high as 26.5 cents/kilogram (approximately 22.4 percent ad valorem equivalent) will be eliminated in five years or less.

Fresh and Processed Vegetables: In 2015, the United States exported $3.7 billion of fresh and processed vegetables (including potato and dried pulses) to the TPP region and more than $5.1 billion to the world.

Japan: Japan will eliminate tariffs for virtually all fresh and processed vegetables. Many of Japan's vegetable tariffs, currently as high as 17 percent, will be eliminated immediately as will tariffs on vegetable juices and canned and other vegetable products. These products include fresh/chilled broccoli, frozen sweet corn, fresh tomatoes, fresh celery, fresh asparagus, cabbage, lettuce, chickpeas, garlic, shallots, prepared tomatoes, prepared pickles and prepared sweet corn. Tariffs on other fresh and processed vegetables, including fresh sweet corn, onions, carrot juice, dried peas, beans, lentils, and tomato paste, will be eliminated in 4-11 years. Additionally, Japan's current 10-percent tariff on azuki, kidney, white pea, pegin, and other beans within its WTO dried leguminous vegetables TRQ will be eliminated immediately.

Vietnam: Vietnam will eliminate tariffs, currently as high as 40 percent, on fresh and processed vegetables in 11 years or less. Vietnam will immediately eliminate tariffs on several vegetables including asparagus, Brussels sprouts, cauliflower, celery, ginseng, peppers, and spinach.

Malaysia: Malaysia will immediately eliminate tariffs, some of which are 90 percent or higher, on all fresh and processed vegetables.

United States: The United States will eliminate tariffs, currently as high as 29.8 percent, on all fresh and processed vegetables in 10 years.

Grains, Oilseeds, and Products

Barley and Barley Products: In 2015, the United States exported $272 million of barley and barley products (including pearled and flaked barley and malt, which may include additional grains) to the TPP region and $283 million to the world.

Japan: Japan will immediately eliminate its tariff on barley for feed, which is currently 39 yen per kilogram (approximately 255 percent ad valorem equivalent) on imports outside of its WTO TRQ. This will guarantee immediate duty-free access for U.S. feed barley. Japan will create a new 25,000-metric-ton TPP-wide TRQ for barley that will grow to 65,000 tons in nine years. Japan will also reduce its mark-up on barley imports by 45 percent in nine years under the TRQ. Japan will create two additional TPP-wide TRQs for barley flour, groats, pellets, and food preparation products. These quotas will grow to 615 metric tons over six years. Japan will also establish a new CSQ for imports of U.S. unroasted malt, starting at 20,000 tons and growing to 32,000 tons in six years. A new roasted malt CSQ will also be created, starting at 700 tons and growing to 1,050 tons by year 11.

Malaysia and Vietnam: Malaysia's and Vietnam's tariffs on barley will be locked in at zero percent. Vietnam will also eliminate its tariff on milled barley in four years.

United States: The United States' tariffs on barley and barley products, currently as high as 9.6 percent, will be eliminated immediately upon entry into force of the agreement.

Corn: In 2015, the United States exported $6.6 billion of corn and corn products to the TPP region and $14.2 billion to the world.

Japan: Japan's duty on imports of U.S. corn for feed will be maintained at zero under its existing WTO TRQ. Additionally, Japan will immediately eliminate an existing three-percent tariff applied to a specific in-quota tariff line for corn other than feed. For starches, Japan will create a new 2,500-ton CSQ for U.S. corn and potato starch, growing to 3,250 tons by year six of the agreement, and a 200-

ton inulin CSQ that grows to 250 tons over 11 years. Japan will also expand its current WTO starch TRQ by 7,500 tons for multiple starches including corn, potato, sago, and cassava.

Malaysia: All of Malaysia's tariffs on corn and corn products, currently as high as eight percent, will be eliminated immediately.

Vietnam: All of Vietnam's tariffs, which are as high as 30 percent, will be eliminated in seven years or less. The five-percent tariff on feed corn will be eliminated in five years.

United States: The United States tariffs on corn and corn products, which are as high as 3.4 percent, will be eliminated in five years or less.

Peanuts: In 2015, the United States exported $359 million of peanuts and peanut products to the TPP region and $674 million to the world.

Japan: Japan maintains a 75,000-ton WTO TRQ for peanuts, which has an out-of-quota duty of 617 yen per kilogram (approximately 593-737 percent ad valorem equivalent). Japan will immediately eliminate the 10-percent in-quota tariff and will eliminate the over-quota tariff in eight years. Peanut oil tariffs, currently as high as 10.4 yen/kg (approximately 5.6 percent ad valorem equivalent), will be eliminated in 11 years. Similarly, tariffs for prepared and preserved peanuts, currently as high as 23.8 percent, will be eliminated in eight years. Peanut butter tariffs, currently as high as 12 percent, will be eliminated in six years.

Malaysia: Malaysia's tariffs on peanuts and peanut products, currently as high as five percent, will be eliminated immediately.

Vietnam: All of Vietnam's tariffs on peanuts and peanut products, currently up to 30 percent, will be eliminated in eight years or less years.

United States: U.S. tariffs on peanuts and peanut products, currently as high as 163.8 percent, will be eliminated in 10 years or less.

Rice and Rice Products: In 2015, the United States exported $766 million of rice to the TPP region and $2 billion to the world.

Japan: Rice is one of Japan's most highly sensitive agricultural sectors and thus has been excluded from all of Japan's prior free trade agreements. Under the TPP agreement, Japan will establish a new, duty-free CSQ for U.S. rice. The initial quota will be set at 50,000 tons, and will grow to 70,000 tons in 13 years. Additionally, Japan will make important modifications to its quota administration designed to enhance the transparency and effectiveness of the new CSQ. Japan will also immediately eliminate its 36 yen/kg (12.7 percent ad valorem equivalent) tariff on other animal feeds, containing rice.

Malaysia: Malaysia's tariffs on rice, currently ranging from 15-40 percent, will be eliminated in 11 years and Malaysia will lock in tariffs on rice products at zero percent.

Vietnam: Vietnam will immediately eliminate its tariffs on rice, which are currently at 40 percent. It will eliminate its tariffs on rice products, currently as high as 35 percent, in eight years or less.

United States: U.S. tariffs on rice products, currently as high as 11.2 percent, will be eliminated within 15 years.

Soybeans and Soybean Products: In 2015, the United States exported $4.8 billion of soybeans and soybean products to the TPP region and $24.5 billion to the world.

Japan: Japan will eliminate tariffs on soybean oil, which are as high as 13.2 yen per kilogram (approximately 20.8 percent ad valorem equivalent), in six years or less. Japan will immediately eliminate its existing 4.2-percent tariff on soybean meal.

Malaysia: Malaysia's tariffs on soybeans and soybean products, currently as high as 10 percent, will be eliminated immediately.

Vietnam: Vietnam's tariffs, currently as high as 33 percent, will be eliminated in eleven years or less. The tariff for soybeans, which has a WTO-bound rate of five percent, will be eliminated immediately.

United States: The United States will eliminate tariffs on soybean products, currently as high as 19.1 percent, in ten years or less.

Wheat: In 2015, the United States exported nearly $2 billion of wheat and wheat products to the TPP region and $5.9 billion to the world.

Japan: Japan will establish a new 114,000-ton CSQ for U.S. wheat. This CSQ will grow to 150,000 tons in seven years. Japan will also provide duty-free MFN access for feed wheat outside of the current WTO TRQ mechanism, which will have the secondary effect of creating additional space for imports of food wheat duty-free under the 5.7-million-metric-ton WTO quota. For imports under the WTO quota, Japan will reduce its current 17 yen/kg mark-up on imported wheat by 45 percent over nine years. For processed wheat products such as biscuits, cookies, crackers and other bread products, which face import tariffs as high as 26 percent, Japan will eliminate existing tariffs in six years. For uncooked spaghetti and macaroni, Japan will reduce the existing 30 yen/kg tariff by 60 percent over nine years. Japan will also establish a new duty-free CSQ for processed wheat products imported from the United States, including mixes, doughs, and cake mix. This CSQ will expand to 12,000 tons in six years. Additionally, the United States and other TPP partners will have access to four new duty-free TRQs in Japan for processed wheat products. These TRQs will grow to 40,100 tons in six years.

Malaysia: Malaysia's tariffs on wheat and wheat products, currently as high as seven percent, will be eliminated immediately.

Vietnam: Vietnam will eliminate its tariffs on wheat and wheat products, currently as high as 35 percent, in four years or less.

United States: U.S. tariffs on wheat and wheat products, currently as high as 6.8 percent, will be eliminated in five years or less.

Other Products

Cotton: In 2015, the United States exported $1.2 billion of cotton to the TPP region and nearly $4.4 billion to the world.

> ***Vietnam:*** Under the TPP agreement, all of Vietnam's tariffs on cotton, currently as high as 10 percent, will be eliminated in four years or less.
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> ***Japan and Malaysia:*** Tariffs on cotton will remain at zero percent.
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> ***United States:*** The United States will eliminate its tariffs on cotton, currently as high as 31.4 cents/kilogram (approximately 19.6 percent ad valorem equivalent), in 10 years or less.

Sugar: In 2015, the United States exported $1.2 billion of sugar and sugar products to the TPP region and $1.5 billion to the world.

> ***Japan:*** Japan will immediately eliminate its current nine-percent tariff on chemically pure fructose, as well as its current tariffs on mannitol, sorbitol, and most types of molasses, which are currently as high as three percent. Tariffs on cane molasses, sorbose, and cocoa powder containing sweeteners other than sugar will be eliminated in six years. For other products – including caramels, other fructose, maple syrup, sorbitol, artificial honey, maltose, cane molasses for manufacturing alcohol, coffee extracts, coffee, and other food preparatory items containing sugar – Japan's tariffs, which are currently as high as 29.8 percent (along with varying specific duties with approximate ad valorem equivalent rates as high as 76.9 percent), will fall to zero in 11 years. Exporters will gain new duty-free or preferential tariff access to the Japanese market for many sugar and sweetener related processed products, including chewing gum, chocolates and products containing chocolate, other confectionery products, and food preparatory items, through multiple duty-free TPP-wide TRQs that expand to total nearly 95,000 tons by year 11 of the agreement. Furthermore, for raw and refined sugar, Japan will establish a new duty-free TPP-wide quota, subject to end-use requirements, which will be fixed at 500 tons annually.
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> ***Malaysia:*** Malaysia's tariffs on sugar and sugar products, currently as high as 10 percent, will be eliminated immediately.
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> ***Vietnam:*** Vietnam will eliminate in-quota tariffs for sugar within its WTO TRQ in 11 years. According to Vietnam's WTO commitments, this TRQ will continue to grow in perpetuity by five percent year.
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> ***United States:*** The United States will establish new TPP TRQs for sugar and sugar containing products totaling 86,300 tons for Australia, Canada, Vietnam, Malaysia and Japan. In years when the Secretary of Agriculture determines there is a need to import additional sugar, Australia and Canada's TPP TRQs will be increased. The United States will eliminate its tariffs on sugar for New Zealand and Brunei, and its tariffs on most sugar containing products for Brunei, Chile, Japan, Malaysia, and New Zealand.

Tobacco and Tobacco Products: In 2015, the United States exported $347 million of tobacco and tobacco products* to the TPP region and $1.5 billion to the world.

Japan: U.S. tobacco exports to Japan totaled $243 million in 2015. Under the TPP agreement, Japan will eliminate tariffs, currently as high as 29.8 percent, on pipe tobacco, and other smoking tobacco in 11 years or less.

Malaysia: Malaysia will eliminate tariffs on tobacco and tobacco products in 16 years.

Vietnam: Vietnam will eliminate tariffs on tobacco products, which can be as high as 135 percent, in 16 years. Vietnam will create a 500 ton TRQ for tobacco leaf that will grow at 5 percent each year. The current tariff of 30 percent will be eliminated in 11 years for the in-quota quantity and for all tobacco leaf in 21 years.

United States: The United States will eliminate most tariffs on tobacco and tobacco products, currently as high as 350 percent within 10 years. Tariffs on tobacco products that are already MFN duty-free will remain duty-free.

Processed Products: In 2015, the United States exported $23.2 billion of processed products to the TPP region and $39.5 billion to the world.

Japan: Under the TPP agreement, Japan will immediately eliminate tariffs, currently as high as 25.5 percent, on numerous processed products, including flavored waters without sugar, mineral and aerated waters, vegetable proteins, roasted coffee, essential oils, planting seeds, and many spices. Tariffs on sauces and flavored waters with added sugar, currently as high as 13.4 percent, will be eliminated in four years. Tariffs will be eliminated in eight years or less for a range of products including cookies, crackers, biscuits, nutritional supplements, carrot juice and tomato paste. These tariffs are currently as high as 40 percent. Tariffs on other rice products, such as breakfast cereals, infant formula, and other food preparatory items, will be eliminated in 11 years. These tariffs are currently as high as 34 percent.

Malaysia: Malaysia's tariffs on processed products will be eliminated in less than 16 years.

Vietnam: Nearly all of Vietnam's tariffs on processed products, currently as high as 55 percent, will be eliminated in 12 years or less. Tariffs on products, such as cookies, crackers, biscuits, breads, and starches will be eliminated in eight years.

United States: The United States will eliminate tariffs on processed products, currently as high as 131 percent, in 20 years or less.

Alcoholic Beverages: In 2015, the United States exported $555 million of wine, $412 million of beer, and $581 million of distilled spirits to the TPP region and $1.5 billion of wine, $615 million of beer, and $1.6 billion of distilled spirits to the world.

Japan: Japan will eliminate all tariffs on wine and related products in 11 years or less. For the important category of bottled wine, tariffs will be eliminated over periods of up to eight years, with front-loaded tariff reductions in several cases. Japan's tariff on bulk wine will be eliminated immediately. Japan's tariffs on beer will be locked in at zero. While tariffs on most distilled spirits are already MFN zero, the remaining tariffs within the category will be eliminated in 11 years or less.

Malaysia: Malaysia's duties will be eliminated in 16 years, marking the first time in any trade agreement that Malaysia has agreed to eliminate tariffs on all alcoholic beverages.

Vietnam: Vietnam will eliminate tariffs on all wine products, currently as high as 55 percent, in 11-12 years; on all beer products, currently as high as 35 percent, in 11 years; and on all distilled spirits, currently as high as 45 percent, in 11-12 years.

United States: The United States will eliminate wine, beer and distilled spirit tariffs, currently as high as 14 cents/liter (approximately 12.4-percent ad valorem equivalent), in 10 years or less.

* Includes all exports under the Harmonized Tariff Schedule, Chapter 24, including both unmanufactured tobacco (HS 2401), defined as tobacco leaf and other farm tobacco products, and manufactured tobacco (HS 2402 and HS 2403), defined as cigars, cheroots, cigarillos, cigarettes, other manufactured tobacco substitutes, and tobacco extracts and essences.

NOTE: Data on U.S. domestic exports are from the U.S. Census Bureau. Data on Japan's imports are from Japan Customs